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International
Accounting Standards
Board

INFORMATION FOR OBSERVERS

Board Meeting: **25 July 2008, London**

Subject: **Meeting sweep issues: Annual Improvements - restructuring of IFRS 1 (Agenda Paper 15)**

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1. As part of the Exposure Draft of Annual Improvements issued in October 2007, the Board proposed restructuring IFRS 1 to make it easier for readers to understand and better designed to accommodate future changes.

2. In its analysis of comment letters presented to the Board in February 2008 (Agenda Paper 4D), the staff included the IFRS 1 restructuring in the category of issues with which most respondents agreed with only minor editorial suggestions. The Board agreed with the staff's recommendation that these issues not be discussed/redeliberated unless a Board member particularly requested a discussion. No such request was received with respect to IFRS 1.

3. The restructured IFRS 1 was not included in the final ballot of 2008 annual improvements due to time constraints. However, the staff is now in the process of

preparing the restructured IFRS 1 to be issued and would like to confirm its proposed approach with the Board.

Staff recommendations

4. The staff recommends that:

a) the restructured version of IFRS 1 be based on the standard as amended to 30 June 2008

b) the final restructured standard be published in both clean and marked-up versions. Like the ED, the mark-up would only mark changes to the actual text. Relocation of paragraphs would be dealt with by a table of concordance.

c) the restructured version of the standard not be balloted by the Board.

Discussion

5. The staff recommends that the most up-to-date version of IFRS 1 be used as the basis for the restructuring rather than the version used in the ED. This would incorporate consequential amendments made to IFRS 1 as a result of documents completed in the past year. We have a version of IFRS 1 at 30 June readily available from the education bound volume. We think this would be most helpful to constituents and avoid the need to immediately revise the newly issued restructured standard.

6. The staff recommends that the same format be used for the marked up version of the final standard as was adopted for the ED with one exception. In the ED each paragraph that had been relocated included a note providing the original paragraph number. The staff believes that in the final version the table of concordance should be sufficient. A complete mark-up would be essentially useless because it would highlight as amended paragraphs that had only been moved.

7. The staff recommends that the Board not ballot the restructured standard before it is issued. In the staff's view, the wording changes proposed to the standard are editorial corrections that would not have been exposed if the standard was not being restructured. The ED was clear that the restructuring did not alter the

technical content of IFRS 1 and no respondents identified any situations in which they thought that it had done so.

8. The Board had previously balloted the original IFRS 1 and all the revisions up to the version used as the basis for drafting the ED. The Board has since balloted the consequential amendments to IFRS 1 made as a result of the completion of other projects. No material will be included in the restructured IFRS 1 that the Board has not previously considered and approved by written ballot. Given the volume of other projects to be considered, the staff does not believe it would be a productive use of the Board's time to require a review of what is essentially a editorial and proof-reading exercise.

Question for the Board

Does the Board agreed with the staff recommendations in paragraph 4?